

**MINUTES OF THE  
SOCIAL SERVICES APPROPRIATIONS SUBCOMMITTEE**

Room 30 West House Building, State Capitol Complex

January 27, 2015

**Members Present:** Sen. Allen M. Christensen, Co-Chair  
Rep. Paul Ray, Co-Chair  
Rep. Edward H. Redd, House Vice Chair  
Sen. Deidre M. Henderson  
Sen. Luz Escamilla  
Sen. Alvin B. Jackson  
Sen. Todd Weiler  
Rep. Rebecca Chavez-Houck  
Sen. Mark B. Madsen  
Rep. Melvin R. Brown  
Rep. Bradley M. Daw  
Rep. Earl D. Tanner  
Rep. Sandra Hollins  
Rep. Robert Spendlove  
Rep. Raymond Ward

**Members Excused:** Sen. Brian E. Shiozawa

**Members Absent:** President Wayne L. Niederhauser

**Staff Present:** Mr. Russell T. Frandsen, Fiscal Analyst  
Mr. Stephen C. Jardine, Fiscal Analyst  
Ms. Paula Winter, Secretary

**Note:** A copy of related materials and an audio recording of the meeting can be found at [www.le.utah.gov](http://www.le.utah.gov).

**1. Call to Order/Approval of Minutes**

Meeting called to order at 8:05 a.m. by Co-Chair Christensen who welcomed the newcomers and also welcomed everyone returning.

**2. General Session Overview**

<http://le.utah.gov/interim/2015/pdf/00000309.pdf>

Russell Frandsen, Fiscal Analyst, reviewed the calendar for the Committee and mentioned the tentative agenda.

**3. Public Input on Topics**

John Wilkes, Citizen, informed the Committee that he was formerly homeless and also shared that he volunteers to assist those that are still homeless to better access health care. He shared

information that he lives on Social Security Disability. He stated that he received a raise of \$17 per month and promptly lost his \$16 of food assistance and his Medicaid spend down went from \$2 to \$19. He said he is consequently in the hole. He shared that his goal is to not live in poverty on Disability benefits. His recommendation was to expand Medicaid and also to not reduce Social Services Funding but increase it.

Sen. Christensen responded to Mr. Wilkes comments.

#### **4. Base Budget Introduction**

Stephen Jardine, Fiscal Analyst, referred to Sen. Hillyard's comment about spending carefully and scrutinizing money already spent and to identify areas where more efficiency is needed. He spoke about the reviewing of budgets the Legislature would be doing. He referred to the Base Budget Bill and to the staff list of Budget Effectiveness Review Options. Mr. Jardine continued to explain the process and suggested that this is the beginning of the budget game. He directed the Committee to the Base Budget Bill document and explained the process of making decisions in the future.

Sen. Christensen offered some parameters for public speaking requirements for the session.

Budget Effectiveness Review for 2% - <http://le.utah.gov/interim/2015/pdf/00000331.pdf>

Budget Effectiveness Review – Revenue and Funding Exchanges for 2% -  
<http://le.utah.gov/interim/2015/pdf/00000333.pdf>

Budget Effectiveness Review – Additional Options –  
<http://le.utah.gov/interim/2015/pdf/00000335.pdf>

Budget Effectiveness Review – Revenue Options and Funding Exchanges – Additional Options  
<http://le.utah.gov/interim/2015/pdf/00000339.pdf>

#### **5. Tools for Looking at Base Budget**

<http://le.utah.gov/interim/2015/pdf/00000327.pdf>

Base Budget Bill - <http://le.utah.gov/interim/2014/pdf/00000013.pdf>

Sen. Christensen continued to make some clarifications about the use of the information given. Mr. Frandsen reminded the Committee that Building Blocks would not be addressed until somewhere around February 9.

Russell Frandsen, Fiscal Analyst, explained that the tools could be used by the individuals on the Committee or anyone who wanted to bring up the report. He stated that there are how-to videos available and continued to clarify the Compendium of Budget Information (COBI). He referred

to the printed version of the Base Budget Bill and stated that there is an online version also.

Mr. Frandsen proceeded to the online COBI and explained its use. He continued to inform the Committee of the various tools available for use on the COBI, by giving an example, and their purpose.

Sen. Christensen commented that this Committee spends more funds than any other Committee

## **6. Motions for Subcommittee Consideration**

<http://le.utah.gov/interim/2015/pdf/00000311.pdf>

Russell Frandsen, proceeded to explain the information presented to the Committee about the motions to be considered from the document entitled Motions Sheet. He gave some examples and explained that this will be discussed in detail.

Sen. Weiler commented on how he hoped this explanation would help the new people on the Committee.

**MOTION:** Rep. Ray moved to approve the minutes for December 12, 2014, morning and afternoon meetings.

The motion was passed unanimously with Pres. Niederhauser, Sen. Escamilla, Sen. Shiozawa, and Sen. Madsen absent for the vote.

## **7. Agency Proposals for Budget Effectiveness Review**

a. Human Services - <http://le.utah.gov/interim/2015/pdf/00000319.pdf>

Ann Silverberg Williamson, Executive Director, Department of Human Services (DHS), reviewed the 2% reduction list which has been recommended. Ms. Williamson stated that would be an actual \$10 million impact to DHS. She referred to the comprehensive audit done on the department which concluded that the operating expenses have remained flat while the extent of services has grown. She continued to speak about the focus of DHS in different departments and commented on the impacts a reduction would have on efficiency and effectiveness in case management in the Department of Child and Family Services (DCFS). She shared information about Drug Court and Medicaid recipients. She spoke about several other departments, areas, and options for savings.

Mark Brasher, Deputy Director, DHS added to Ms. Silverberg Williamson's comment. Sen. Christensen remarked that the fat has already been removed and the cuts are being looked at as to what would be the least painful cut.

Rep. Chavez-Houck referred to an issue mentioned about the ombudsman and asked where

concerns and complaints would go. Mr. Brasher responded that the cut of the ombudsman was strategically managed so that there would be approximately \$61,000 left in that line item so that some of the highest level complaints could still be managed by an ombudsman. There was continued discussion.

Rep. Redd asked if other items on the information sheet would be discussed. Ms. Williamson returned to respond to a question about the State Hospital. She referred to an audit done and findings which indicated savings may be realized from discounted rates for offsite care. She referred to the Division of Substance Abuse and Mental Health (DSAMH) and suggested she would respond to questions as to the information available. She proceeded to DCFS and explained the situation with foster homes in that area. Mr. Brasher proceeded to address the remaining smaller issues.

Rep. Tanner asked for clarification about Drug Offender Reform Act (DORA). Sen. Christensen explained the purpose of DORA. There was continued discussion about DORA and the Drug Courts. Brent Kelsey, Assistant Director, DSAMH, clarified the purpose and process of DORA. There was continued comment about the topic. Rep. Ray commented on DORA also.

Rep. Chavez-Houck requested information on the State Hospital recommendations and the implications of liability in relation to the 2% cut.

Ms. Williamson stated that there is information available that would be provided.

Rep. Redd asked about a memo dated Jan. 9 which addressed recommendations. Ms. Williamson continued to explain what the department is committed to. She referred to a System of Care plan and spoke of being proactive. She continued to present information as to the State Hospital. Sen. Christensen also responded to the situation of a limited amount of funds available.

Rep. Redd made comments about hospital occupation for the mentally ill and continued to request information about the issue of waiting for a bed and treatment in the State Hospital. He shared his concern for slow placement and delayed treatment available for the mentally ill and requested that this be considered.

b. Workforce Services - <http://le.utah.gov/interim/2015/pdf/00000313.pdf>

Jon Pierpont, Executive Director, Department of Workforce Services (DWS), addressed the Committee with information about their reduction. He explained about their proposed cut which involved cutting vacant FTE positions and resulted in savings of about \$752,000. Another aspect of savings was a result of higher federal match rate which went from a 50/50 rate to 75/25 with the Affordable Care Act. Projected savings from that is \$6 million and possibly as high as \$7 million.

Nathan Harrison, Director of Finance, DWS, spoke about the higher match rate and the fact that it was set to expire in September of 2015. He explained that the Centers for Medicaid and

Medicare Services (CMS) rate is intended to be ongoing but they desire to approve the DWS budget so that the expenditures related to Medicaid administration can be anticipated. He informed the Committee that they have submitted a budget but have had no response yet.

Sen. Madsen inquired about the situation if the match rate is not extended. Mr. Harrison responded to that situation. Sen. Madsen also inquired as to what strings are attached to participation in this if we comply by taking the money. Mr. Harrison explained that there were expectations for all states and that the strings are to deliver the program as designed. Mr. Harrison continued to speak on other possible areas of reduction. Mr. Pierpont referred to two other items on the proposed reductions sheet which had to do with Zoos and Women in the Economy Commission which has been repealed.

Rep. Tanner requested information about how the Zoos money is pass through money. Mr. Harrison explained how the money is appropriated to DWS by Social Services and then given to Zoos. There was continued discussion.

Rep. Ward asked how many individuals came out of the woodwork and at what legal/rule level was the match rate changed? Mr. Pierpont explained that there are about 6,500 additional individuals being served due to woodwork in Medicaid and that it was probably a combination of adults and children. Michael Hales, Deputy Director, Department of Health (DOH) confirmed that the match rate change was a regulatory change.

Rep. Chavez-Houck shared information with the Committee that she and Sen. Henderson have looked at the Commission on Women. She also stated they would be hosting the Secretary of the Department of Labor.

c. Utah State Office of Rehabilitation (USOR) -  
<http://le.utah.gov/interim/2015/pdf/00000322.pdf>

Russell Thelin, Executive Director, Utah State Office of Rehabilitation (USOR), referred to the document presented to the Committee in December on the 2% budget effectiveness. He also referred to the green Motion sheet and addressed that as he spoke. He responded to the information on the available document and reported on their agency reductions. He informed the Committee that this agency is very lean in their performance. He continued to explain specifically and separately about the reductions being considered.

Rep. Chavez-Houck requested information on a comparison of efficacy with programs offered here and in other Western states including caseload. Mr. Thelin indicated he will share that.

d. Health

Dr. David Patton, Department of Health (DOH), gave information about how the DOH has been able to return \$10 million to the state General Fund from the Base Budget because of a lower than forecasted woodwork effect. He also informed the Committee that \$6 million was returned

because of a different methodology in determining enrollment growth. Dr. Patton said that total of \$16 million is about 3.4% of their base budget. He stated that they have met their 2% reduction. Sen. Christensen inquired about who determined the new methodology and Dr. Patton explained the situation. Dr. Patton continued to highlight some areas where there are concerns. He referred to the Budget Reductions Sheet item #8 which is the Medicaid Administration reduction. He gave details about the building of a Medicaid Management Information System replacement system which probably will not be ongoing savings. He referred to the reduction in the Primary Care Network (PCN) next and explained the purpose of that program. He continued by sharing information about the autism program. He continued to speak about the lab program and the cutting of two FTEs which would adversely affect the lab situation.

He also referred to information on the Tobacco Settlement Restricted Account and not being able to use those funds for purposes other than those specified. He named another item on birth certificate fees. He explained that those funds are used currently and to pull them back into the state would not be well received. He referred next to data security and to the data breach issue from 3 or 4 years ago. There was a recommendation from an audit to improve security which would actually decrease the security which is currently in place.

Rep. Redd asked a question about increasing the fee for birth certificates to have more funds available for the DOH to manage their costs. Dr. Patton stated that current fees cover their costs and increased fees would probably not be feasible because Utah is currently charging more than the states surrounding us.

Rep. Ward asked about Tobacco Settlement Restricted account funds and what the uses are. Dr. Patton explained those funds came from settlements from the tobacco companies to the state and indicated the funds are used for health promotion purposes and the Children's Health Insurance Program (CHIP). There was some discussion about those funds.

Russell Frandsen, referred to the Tobacco funding again and responded to what the statutory guidance is for the Tobacco Settlement Funds and indicated the staff recommendations for use for CHIP.

There was a request from Co-Chair Ray to explain the use of SharePoint available to the Committee members. Mr. Frandsen clarified and explained the procedure.

Sen. Christensen indicated that some of tomorrow's agenda would be covered today because we are ahead of time on the agenda.

## **8. Items from the Next Meeting's Agenda**

### **Intent Language and Non-lapsing Balances Follow-up Brief (Health)**

Russell Frandsen, Fiscal Analyst, explained that follow up is requested for all intent language. Mr. Frandsen briefly covered the summary statement on the Brief and concisely reviewed

information from the Brief.

### **Base Budget Bill for Family Health and Preparedness**

Mr. Frandsen took a moment to explain the procedure for each day and described the process of looking at each line item and checking to see what is happening in each area according to what the performance measures tell us, whether there are restricted funds available, what revenue and expenditure trends are. He stated that Staff is trying to identify what may be of interest to the Committee as appropriators of funds.

Mr. Frandsen proceeded to address each of the restricted funds including the:

- a. Autism Treatment Account,
- b. Children's Hearing Aid Pilot Program
- c. Kurt Oscarson Children's Organ Transplant Account

He moved to the Family Health and Preparedness information and the Cytomegalovirus Public Health Initiative additional funding and explained the issue. The next item was American Reinvestment and Recovery Act (ARRA) which is Federal stimulus money begun in FY 2009. Mr. Frandsen indicated the Legislature has passed intent language in all places saying there can't be more funds spent than approved. He further explained that there was money spent last year by the DOH that was not approved so this is for the Committee's attention.

Rep. Redd asked what the consequences are if the department spends the money. Mr. Frandsen stated that they didn't know they were going to spend the money so the intent language was not there. If it had been the Department would have lost General Funds.

Mr. Frandsen referred to the document entitled Revenues Actual Trend from FY 2011 through FY 2014 Family Health Preparedness and looked at the dedicated revenue trend. He spoke about the reason for the increase which involves a fee increase and noncompliance fines. Mr. Frandsen looked at the Federal fund decrease and the reason for it. He discussed the Women, Infants and Children (WIC) program participation decrease. He moved to the dedicated credits and explained the increase there. The trends in Emergency Medical Services and the Personal Services were reviewed and explained.

Dr. Marc Babitz, Director, Family Health and Preparedness, Department of Health, which includes Emergency Medical Services and the Bureau of Child Development including Baby Watch, explained about the funds distribution. Dr. Babitz also explained the Emergency Funds.

Mr. Frandsen indicated Staff had brought some items forward for the Committee's attention. One item was background checks. He reviewed the information available about background checks and funds collected from citations made.

Mr. Frandsen referred to the Motion sheet Baby Watch Early intervention program #9b. He read

those items.

Rep. Redd asked about an assessment tool to collect data on questions for the Baby Watch program. Dr. Babitz responded that there is a standardized national tool. He proceeded to enumerate some of the items assessed. Rep. Redd and Dr. Babitz continued to discuss results from last calendar year and some of the processes involved.

Sen. Madsen inquired if when improvement rate is measured is it a result of the program or is it natural development. Dr. Babitz responded that because these are significant developmental delays both physically and or mentally with these children so overtime they would not progress and their improvement would remain static. He also mentioned another measure used to save money and included some limitations of the program. Sen. Madsen continued the questioning and discussion with Dr. Babitz about how the family is involved in the process

Mr. Frandsen presented information to answer Rep. Redd's previous question about the number of children involved in the services.

**MOTION:** Sen. Madsen moved to adjourn. The motion passed unanimously with President Niederhauser and Sen. Shiozawa absent for the vote.

Co-chair Christensen adjourned the meeting at 10:20 a.m.

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Sen. Allen M. Christensen, Co-chair

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Rep. Paul Ray, Co-chair